

and other bankers now here are having with the French Ministry.

2. The holding by France of as many of these bonds as she can use as the basis of interior loans, to save discount loss, or to keep them, possibly to cover a new issuance of paper money, for which several projects by the inflationists are now before the Chamber of Deputies, although it must be said that the American bankers have pronounced against further French currency inflation, even on this basis, as the German bonds appreciate, of these securities in the form of international money, as was emphasized by M. Loucheur, in setting forth the French plan, though not making exchange and eventually using them in trade relations, just as any other international "security" would be used. It is undoubtedly the French idea that the United States and Great Britain will be willing some day to accept these bonds, not only for interest charges, but toward wiping out the French indebtedness.

Negotiability of Bonds.

Speaking to foreign correspondents here regarding the London reparations plan, M. Loucheur described the negotiability arranged for these bonds as the most important feature of the scheme and which all the other plans lacked, although he admitted it would take some time to establish their value. Once this was accomplished, however, they could be used between one country and another in place of money.

"It will," he said, "be like one country paying a debt to another by a check on a third country, thereby adjusting exchange values between the countries discharging international obligations."

Many economists, especially since the war, have been pressing for an international money, but M. Loucheur never regarded the scheme as practical, but he insisted to-day that this would be approached by the German bonds.

Referring to the Guarantee Commission, he denied that this was applying the same measures in connection with Germany as characterized the Turkish Debt Commission, but was merely a way of making good the German securities. He emphasized that from the moment it began to function, the commission could publish throughout the world Germany's receipts and all other information calculated to give confidence to investors.

But even if Germany pays in full, he said, would still need \$5,000,000,000 francs annually to meet her budget requirements caused by the war—a terrible burden, and showing the necessity of making Germany pay in accordance with her agreement to the last mark.

He added that it was for all the world to see to it that Germany kept the disarmament clauses of the treaty, because complete disarmament by her meant that she could pay more easily.

One question which is likely to remain undecided for some time is that of German workmen being used in rebuilding the devastated regions, which M. Loucheur described as an extraordinarily complex one. Germany, however, will be asked to send to France immediately 100,000 demountable houses.

PARIS, May 11.—German acceptance of the allied ultimatum is construed by the Paris afternoon papers as merely the first step. As the Temps says: "We wait to judge Germany not by her signature, but by her acts."

Jacques Bainville, in the *Liberte*, declares that signature "is worth very little. Acceptance is given only to avoid a greater evil, with the thought in mind that the essential thing was to gain time."

The *Journal des Debats* approves Chancellor Wirth's attitude, but adds: "The Allies must hold strictly to punctilious performance of their conditions, and act, that is to say, occupy the Ruhr, immediately Germany seeks to evade on one pretext or another."

All the papers express in some way the general idea that the Allies must keep their eyes open and their hands on their guns. Intimating that Germany complies only to the argument of force.

"German statesmen," said the *Figaro*, "made up their minds only at the last moment, but finally decided to accept the principle. As for the execution of their agreement, we will see what time will bring."

PEACE RESOLUTION MEETS NEW DELAY

House Committee to Insist on Amendment to Knox Measure.

WILL TAKE ITS TIME

Chairman Finds It Necessary to Settle Several Points Before Acting.

SHIP OWNERS ANXIOUS

Rights in German Ports Raised—Washington Gratified at Berlin's Acceptance.

Special Despatch to THE NEW YORK HERALD, Copyright, 1921, by THE NEW YORK HERALD, New York Herald Bureau, May 11.

Although Germany's acceptance of the allied reparations demands removes the diplomatic reason for delaying the passage of the Knox resolution for a separate peace, differences between the Republican leaders of the House and Senate as to its form probably will prevent a speedy enactment of the resolution. This fact and a feeling in official circles that the world will now be able to resume its normal economic way were the outstanding features of to-day's reaction to the decision of the Berlin Reichstag.

The House Foreign Affairs Committee will insist on an amendment to the Knox peace resolution before it is finally enacted, Chairman Porter of the committee, predicted to-day, which insistence may cause a postponement of final enactment of the measure.

The point in dispute between Senate leaders and the House committee is whether the resolution should specifically repeal the declaration of war, as was done by the Senate. The position of Mr. Porter is that this is in effect a repudiation of the war resolution which stated why the United States entered the war. Mr. Porter's plan is to declare only that a state of peace exists and to make no reference to the war resolution. The House will not be rushed in its action, he said.

Mr. Porter to-day conferred on one of these questions with Thomas W. Miller, alien property custodian. The chairman explained that he is desirous of preventing a large number of lawsuits resulting from the declaration of peace. Another question that has unexpectedly arisen is the effect on the few war laws that were continued when Congress last session specifically repealed the majority of the war laws. The statutes continued are mainly those of the War Trade Board.

It was also learned that some American ship owners have asked the House Committee as to their rights in German ports if the Knox resolution is passed and the United States does not ratify the Versailles treaty in some form. It appears that before the war Germany discriminated against foreign ships in her ports by charging large wharf and dockage fees which were much greater than those assessed against vessels flying the German flag. Under the Versailles treaty it was agreed these past discriminations would be eliminated.

Republican House leaders were pleased with the German acceptance of the ultimatum and expressed the opinion that it was a big step toward clearing the international atmosphere. They believed it would have the effect of speeding action on the Knox resolution, but Republicans.

REPARATIONS IN U. S. CASH REPRESENT BILLION LESS

THE way that Wall Street banking houses figure their operations in foreign currencies, the \$33,750,000,000 reparations demanded of Germany, as reported by despatches from London, Paris and Berlin, would establish an overcharge of close to \$1,000,000,000 if converted into American currency from German marks.

The mark in gold is valued at 24.3 cents and 135,000,000,000 marks gold would be worth \$32,805,000,000, or \$945,000,000 less than the specified amount of the reparations. Also the conversion of \$6,750,000,000 into dollars at the mint parity of \$4.8665 to the sovereign would bring \$32,848,876,000, a sum \$901,125,000 less than the amount announced in despatches.

The reason for those discrepancies of course is that these figures have been calculated in conventional values used in discussing foreign exchanges in normal times. The number of marks gold to the pound sterling or sovereign is slightly less than 20, but figuring at 20 to the pound 135,000,000,000 marks are equal to \$6,750,000,000. Reckoning the pound sterling, in turn, at \$5, the conversion of \$6,750,000,000 results in \$33,750,000,000.

The only figures officially given in the reports issued by the Supreme Council in London and the Reparations Commission in Paris were in marks gold.

Dean Leader Mondell said it was uncertain when it would be considered. He indicated that he desired to wait the reaction of the Reichstag's action on the German people. The resolution has yet been assigned to no place on the House calendar.

NOTE OF ACCEPTANCE HANDED TO ALLIES

Unconditional Agreement to Every Demand Made.

By the Associated Press. LONDON, May 11.—Germany's unconditional acceptance of the Entente reparations terms, as delivered to Prime Minister Lloyd George by Dr. Stammer, German Minister to Great Britain, reads:

"Mr. Prime Minister: In accordance with instructions just received I am commanded by my Government, in accordance with the decision of the Reichstag and with reference to the resolutions of the allied Powers of May 5, 1921, in the name of the new German Government, to declare the following:

"The German Government is fully resolved, first, to carry out without reserve or condition its obligations as defined by the Reparations Commission."

"Second, to accept and carry out without reserve or condition the guarantees in respect of those obligations prescribed by the Reparations Commission."

"Third, to carry out without reserve or delay the measures of military, naval and aerial disarmament notified to the German Government by the allied Powers in their note of January 29, 1921, those overdue to be completed at once and the remainder by the prescribed date."

"Fourth, to carry out without reserve or delay the trial of war criminals and to execute the other unfulfilled portions of the treaty referred to in the first paragraph of the note of the allied governments of May 5."

"I ask the allied Powers to take note immediately of this declaration."

Mr. Lloyd George in giving the terms of the reply to the Commons, said: "This is complete acceptance of every demand."

CONSTANTINOPLE ZONE PROCLAIMED NEUTRAL

Allies to Let Greeks and Turks Continue Struggle.

CONSTANTINOPLE, May 11.—At a meeting to-day of the Allied Commissioners, Generals and Admirals, it was decided to proclaim the neutrality of Constantinople, the Bosphorus and the Dardanelles in the hostilities between the Turks and the Greeks.

GEORGE HARVEY TO MEET KING TO-DAY

Presents His Credentials to Earl Curzon at the Foreign Office.

By the Associated Press.

LONDON, May 11.—George Harvey, Ambassador to Great Britain, presented his credentials to Earl Curzon at the Foreign Office this afternoon. He will be received by King George at Buckingham Palace to-morrow morning and will make his first public appearance at the dinner to be given by the Pilgrims Society on May 19.

Meanwhile he will refrain from granting interviews and from any discussion of international affairs.

The *Pall Mall Gazette* says the Ambassador announced himself by words of greeting "which could not be exceeded in cordiality or couched in terms more agreeable to the people of this country."

The newspaper says Ambassador Harvey is commended personally to Englishmen by his record as a staunch upholder of the allied cause in the hour of strain and anxiety. "But it gives a peculiar pleasure," the *Pall Mall Gazette* adds, "to read the warm words in which at the outset of his mission he has described the aims which are behind it."

President Harding, the newspaper says, has indicated a friendly disposition toward this country with a frankness for which it would be difficult to find a precedent. The words of President Harding's Ambassador constitute a further earnest that this good will is not empty or academic.

The United States, in the opinion of the *Pall Mall Gazette*, has fairly disposition toward this country with a frankness for which it would be difficult to find a precedent. The words of President Harding's Ambassador constitute a further earnest that this good will is not empty or academic.

"The spirit which the American people share by kinship with ourselves," the newspaper says in conclusion, "forbids them to renounce the leadership which

has been open to them in what we may call the salvage of war-torn humanity. We rejoice to think that her choice will be, as the inaugural speech of her Ambassador indicates, that the Samaritan and not the priest or Levite will be taken for her model."

FRENCH MAYOR OUT FOR FLYING RED FLAG

Government Acts After Communist Celebration.

Special Cable to THE NEW YORK HERALD, Copyright, 1921, by THE NEW YORK HERALD, New York Herald Bureau, Paris, May 11.

The Mayor of Petit-Quevilly, near Rouen, lost his job for at least a month because he let his Communist inclinations override his official obligations. On May 1 the Communist leaders sent out a circular letter instructing all Communist executives to display the red flag conspicuously on that day. The Mayor, who was elected on the moderate Socialist ticket, but later turned toward Moscow radicalism, decided the flag order applied to public buildings, and he promptly hauled down the Tri-color and put out Soviet flags and banners in every window.

The Police Commissioner, however, was not elected on the Socialist ticket, and he promptly reported the incident to the Minister of the Interior, with the result that the Mayor is relieved of all his official duties while his offense is being investigated.

TO CHECK DRACHMA DECLINE.

ATHENS, May 11.—Violent fluctuations in the quotation on the drachma occurred yesterday, and it is understood that the Government is about to take drastic measures to check its further depreciation.

PARIS, May 11.—It is stated in reports reaching the Foreign Office that Greek merchants having connections abroad may be compelled to curtail or suspend their payments because of the unfavorable financial situation and steady decline of the drachma.

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